



August 03, 2022 – Wednesday

Economy

India's unemployment lowest in six months at 6.80% in July: CMIE

The country's unemployment rate in July fell to 6.80 per cent, the lowest level in the last six months, amid rising agriculture activities during monsoon, according to Centre for Monitoring Indian Economy (CMIE) data. The unemployment rate dropped to 6.80 per cent in July from 7.80 per cent in June, the CMIE data said. Rural unemployment declined 6.14 per cent to 272.1 million last month from 265.2 million or 8.03 per cent in June, it said. On the other hand, urban unemployment jumped to 8.21 per cent in July from 7.80 per cent in June as the number of jobs fell both in industry as well as services. The employment in urban India fell by 0.6 million, from 125.7 million to 125.1 million, according to the CMIE data.

<https://economictimes.indiatimes.com/news/economy/indicators/indias-unemployment-lowest-in-six-months-at-6-80-in-july-cmie/articleshow/93301884.cms>

Banking and Finance

RBI's financial inclusion index rises; showing growth across all segments

The RBI's composite financial inclusion index (FI-Index) capturing the extent of financial inclusion across the country rose to 56.4 in March 2022, showing growth across all parameters. The index captures information on various aspects of financial inclusion in a single value ranging between 0 and 100, where 0 represents complete financial exclusion and 100 indicates full financial inclusion. "The value of FI Index for March 2022 stands at 56.4 vis-a-vis 53.9 in March 2021, with growth witnessed across all the sub-indices," the RBI said in a statement. In August last year, the central bank said it has been conceptualised as a comprehensive index, incorporating details of banking, investments, insurance, postal, as well as the pension sector, in consultation with government and respective sectoral regulators. The FI-Index comprises three broad parameters -- Access (35 per cent), Usage (45 per cent), and Quality (20 per cent) with each of these consisting of various dimensions, which are computed based on several indicators.

https://www.business-standard.com/article/finance/rbi-s-financial-inclusion-index-rises-showing-growth-across-all-segments-122080200694_1.html

June credit card spends remain above Rs 1 trillion-mark, shows data

Credit card spends in June, although down marginally month-on-month (MoM), remained above the Rs 1-trillion mark for the fourth consecutive month. In June, credit card spends topped Rs 1.09 trillion, down 4.34 per cent MoM, revealed the data released by the Reserve Bank of India (RBI). However, on a year-on-year basis, spends were up 73 per cent. In May, credit card spends hit an all-time high, reaching Rs 1.14 trillion. The banking system added over 1.84 million credit cards in June, taking the outstanding credit cards in the system to 78.72 million. The surge in card addition was led by HDFC Bank, the largest card issuer in the country, Kotak Mahindra Bank, and Axis Bank.

https://www.business-standard.com/article/finance/june-credit-card-spends-remain-above-rs-1-trillion-mark-shows-data-122080201308_1.html

NBFCs report strong credit growth in Q1 despite rate hikes, inflation pressure

Despite expectations of dampened demand owing to the surging interest rates and elevated inflationary pressures, most large non-banking financial companies have reported strong credit growth in Q1FY23. The non-bank lenders have attributed the AUM growth to broad-based demand across segments, including retail finance, SME lending, vehicle and mortgage loans. Diversified lender Bajaj Finance posted a consolidated AUM growth of 28 per cent for the reporting quarter, led by a growth of 31 per cent in SME lending and 28 per cent in mortgage loans. The country's largest housing financier, HDFC Ltd, last week reported its highest ever Q1 disbursements, leading to an AUM growth of 17 per cent. "Housing demand continued to remain strong during the quarter across tier I, II & III cities, especially in affordable housing segment and in middle & high-income group segment," Sharekhan Securities said in a recent note.

<https://www.thehindubusinessline.com/money-and-banking/nbfcs-report-strong-credit-growth-in-q1fy23-optimistic-on-overall-outlook/article65714732.ece>

Industry

Govt: 1 crore MSMEs registered on Udyam portal now; DigiLocker facility launched for Udyam certificates

MSME registrations on the government's Udyam portal crossed 1 crore on Tuesday, a little over two years after the portal was launched on July 1, 2020, following the change in the definition of MSMEs, doing away with the distinction between manufacturing and services businesses. The announcement was made by the MSME Ministry at a press conference in Delhi. Speaking on the occasion, MSME Minister Narayan Rane and Minister of State for MSMEs Bhanu Pratap Singh Verma stressed on the need for Udyam registrations and also emphasised on its utility as an identity for MSMEs to avail benefits of various schemes by the ministry including Priority Sector Lending (PLI) by banks. "In a span of 25 months, as many as 1 crore MSMEs have registered on the Udyam portal on a voluntary basis and declared that they employ 7.6 crore people, of which 1.7 crore are women," the ministry said as it also signed memorandum of understandings (MoUs) with the Ministry of Tourism and National Small Industries Corporation (NSIC) for sharing of Udyam data.

<https://www.financialexpress.com/industry/sme/msme-eodb-govt-1-crore-msmes-registered-on-udyam-portal-now-digilocker-facility-launched-for-udyam-certificates/2614992/>

FMCG sector to end 2022 with 8-10% value growth: NielsenIQ

The FMCG sector is expected to clock a value growth in the range of 8-10 per cent for 2022 compared to 2021, according to the growth forecast estimates released by research and insights firm NielsenIQ. This is on the back of expectations of a consumption-push in the second half of the year due to festival season and normal monsoon while continued headwinds such as inflationary pressures and other macroeconomic conditions persist. In 2021, the sector's value growth was pegged at 17.5 per cent over 2020. "The second half of the year historically witnesses higher growth rates compared to the first half for the FMCG sector. This is due to factors such as festivals and post-monsoon period spurring consumption. But the growth will continue to be price-led," Satish Pillai, Managing Director – India, NielsenIQ, told BusinessLine.

<https://www.thehindubusinessline.com/economy/fmcb-sector-to-end-2022-with-8-10-value-growth-nielseniq/article65716709.ece>

Agriculture

Govt agrees to give financial assistance for solar agri pumps up to 15 HP under PM-KUSUM, says minister

The finance ministry has agreed to a proposal on the Central Financial Assistance (CFA) to solar pumps up to 15 horse power capacity in the north-eastern and Himalayan states, Parliament was informed on Tuesday. In 2019, the government launched the Pradhan Mantri Kisan Urja Suraksha evam Utthaan Mahabhiyan (PM-KUSUM) Scheme with 3 components. Under the B component, individual farmers will be supported to install standalone solar agriculture pumps of capacity up to 7.5 Horse Power (HP) for replacement of existing diesel agriculture pumps/irrigation systems in off-grid areas, where grid supply is not available.

<https://www.financialexpress.com/economy/govt-agrees-to-give-financial-assistance-for-solar-agri-pumps-up-to-15-hp-under-pm-kusum-says-minister/2614895/>

Tractor volumes slide in July on high base, dip in Kharif sowing

Domestic tractor volumes remained muted in July owing to factors like a high base and lower than expected rainfall in several states, including UP and Bihar, leading to relatively less sowing in the Kharif season. Mahindra & Mahindra saw a decline of 15.85% y-o-y in its tractor despatches in the domestic market to 21,684 units, while those of Escorts Kubota dropped 22.31% y-o-y to 4,704 units. "We have sold 21,684 tractors in the domestic market during July 2022. After a very robust Q1, wherein we achieved volume growth of 18%, July witnessed normalisation in volumes. July is traditionally a lean month as the land preparation phase, wherein a tractor finds the highest utility, gets over and farmers start sowing their crops," Hemant Sikka, president, farm equipment sector, Mahindra. He said overall rainfall has been higher than normal barring a few eastern states.

<https://www.financialexpress.com/industry/tractor-volumes-slide-in-july-on-high-base-dip-in-kharif-sowing/2614261/>

World's food supply faces new threat after India's rice crop falters

Rice could emerge as the next challenge for global food supply as a shortage of rain in parts of India, by far the world's biggest exporter, has caused planting area to shrink to the smallest in about three years.

The threat to India's rice production comes at a time when countries are grappling with soaring food costs and rampant inflation. Total rice planted area has declined 13% so far this season due to a lack of rainfall in some areas, including West Bengal and Uttar Pradesh, which account for a quarter of India's output.

Traders are worried that a drop in rice production will complicate India's inflation fight and trigger restrictions on exports. Such a move will have far-reaching implications for the billions of people that depend on the staple. India accounts for 40% of global rice trade, and the government has already curbed wheat and sugar exports to safeguard food security and control local prices.

https://www.business-standard.com/article/international/world-s-food-supply-faces-new-threat-after-india-s-rice-crop-falters-122080300157_1.html

Infrastructure

Railways reports 23rd straight month of highest ever freight loading in July 2022

The Indian Railways has reported 122.14 million tonnes (MT) of freight loading in July 2022. This 8.25% higher than loading in July 2021. An official statement said that this is the 23rd straight months of best ever monthly freight loading by the national transporter. Railways said that it has achieved an incremental loading of 11.54 MT in Coal, followed by 1.22 MT in Balance other goods, 0.56 MT each in Cement & Clinker and Containers and 0.47 MT in Petroleum, Oil, and Lubricants (POL). There has also been an increase in automobile loading. The Indian Railways said that 1698 rakes have been loaded in the fiscal 2022-23 till July as compared to 994 rakes during the same period of last year.

<https://economictimes.indiatimes.com/industry/transportation/railways/railways-reports-23rd-straight-month-of-highest-ever-freight-loading-in-july-2022/articleshow/93302740.cms>

Energy

Windfall gain tax raised

Finance Ministry, late on Tuesday, raised the windfall gain tax on domestically produced petroleum crude but has lowered export levies on diesel and jet fuel (Aviation Turbine Fuel). This is the second revision after export levies were imposed on July 1. Revised levies will be effective from August 3. The increase in windfall gain tax is negative for companies such as Reliance, ONGC, and Oil India. Revision is being done on fortnightly basis. According to notifications issued by the Central Board of Indirect Taxes & Custom (CBIC), the windfall gain tax on petroleum crude produced domestically will now be ₹17,750 as against ₹17,000 per ton. Initially, it was ₹23,250 per ton, which was cut to ₹17,000 per ton on July 18. One of the reasons for raising the windfall gain tax could be rise in the crude prices.

<https://www.thehindubusinessline.com/economy/policy/windfall-gain-tax-raised/article65718458.ece>

Telecom

Telecom industry's debt to rise to Rs 6 lakh crore: Analysts

The telecom sector's debt is likely to escalate to as much as Rs 6 lakh crore by this fiscal end following the spectrum purchase outgo, and network upgradation, two research analysts separately said. "Post the auctions, the debt levels of the industry would increase further to around Rs 6 lakh crore as on March 31, 2023, with the addition of the spectrum liabilities," Ankit Jain, Vice President & Sector Head, ICRA Further, Delhi-based credit rating agency said that on the back of annual installments for spectrum payment coming to Rs. 13,365 crore for FY 2023, the cash outgo would stand at Rs 19,600 crore for FY 2024 and FY 2025 each, before increasing to Rs 65,500 crore from FY 2026 onwards.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/telecom-industrys-debt-to-rise-to-rs-6-lakh-crore-analysts/articleshow/93300561.cms>

States

Rs 20,000-cr second airport coming up near Chennai, says TN CM Stalin

Tamil Nadu Chief Minister M K Stalin on Tuesday announced that a second airport for the city would come up at Parandur near here at an estimated Rs 20,000 crore with an annual capacity of 10 crore passengers. It will have two runways, terminal buildings, taxiways, apron, cargo terminal and other required amenities. "The plan estimate for the new airport will be finalised after preparing the detailed project report (DPR). The tentative plan estimate as of now is Rs 20,000 crore," the chief minister said in a statement here. The implementation of the project by the DMK government would be a stepping stone for the state's growth and yet another effort in taking it towards the USD one trillion state economy target, he added. The present airport could handle 2.2 crore passengers annually and this could go up to 3.5 crore at the end of the ongoing expansion work after 7 years.

https://www.business-standard.com/article/current-affairs/rs-20-000-cr-second-airport-coming-up-near-chennai-says-tn-cm-stalin-122080200822_1.html

Telangana bets big on oil palm to cut \$19 billion vegoil imports

Telangana is targeting 2 million additional acres under oil palm cultivation in the next four years, and is going to great lengths to achieve this goal - from building large dams and irrigation canals to importing millions of germinated sprouts.

<https://economictimes.indiatimes.com/news/economy/agriculture/telangana-bets-big-on-oil-palm-to-cut-19-billion-vegoil-imports/articleshow/93310814.cmsw>

Healthcare

Govt panel recommends Corbevax as booster for adults vaccinated with Covishield, Covaxin

A government panel on Covid immunisation has recommended allowing Biological E's Corbevax as a precaution dose for adults fully vaccinated with either Covishield or Covaxin, official sources said on Tuesday. If approved by the government, this would be the first time a booster dose of a Covid vaccine different from the one used for primary vaccination would be allowed in the country. The COVID-19 Working Group of the National Technical Advisory Group on Immunisation (NTAGI) made the recommendation in its 48th meeting held on July 20, an official source told PTI. "Corbevax may be considered for a third/precaution dose six months after completion of primary series of Covaxin or Covishield vaccines for population above 18 years wherever indicated," the recommendation stated.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/pharmaceuticals/govt-panel-recommends-corbevax-as-booster-for-adults-vaccinated-with-covishield-covaxin/articleshow/93301855.cms>

External

India's exports dips marginally to USD 35.24 billion in July

India's exports dipped marginally by 0.76 per cent to USD 35.24 billion in July, though the trade deficit tripled to USD 31.02 billion during the month, according to official data revealed on Tuesday. The imports in July went up to USD 66.26 billion from USD 46.15 billion in the corresponding month last fiscal. "Exports of USD 156.41 billion in first four months of the fiscal puts us on track to achieve USD 470 billion in the current fiscal comfortably," commerce

secretary B V R Subrahmanyam said while giving details about the trade data. The trade deficit was USD 10.63 in July 2021.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/indias-exports-dips-marginally-to-usd-35-24-billion-in-july/articleshow/93303946.cms>

Oil prices fall as ahead of OPEC+ decision; Fed speakers signal bank may go on tightening monetary policy

Oil slipped before an OPEC+ meeting as traders wait to see whether the group will heed a US call to boost supply. West Texas Intermediate fell below \$94 a barrel in early Asian trading after ending marginally higher on Tuesday. The Organization of Petroleum Exporting Countries and its allies convene virtually later Wednesday, and a Bloomberg survey of traders and analysts suggested the alliance led by Saudi Arabia was more likely to keep output steady in September than agree on an increase.

<https://www.financialexpress.com/market/commodities/oil-prices-fall-as-ahead-of-opec-decision-fed-speakers-signal-bank-may-go-on-tightening-monetary-policy/2615389/>

India, Maldives sign six pacts; widen defence partnership

India and its Southern neighbour Maldives on Tuesday upgraded their strategic partnership by concluding six pacts and slew of documents across sectors including defence and cyber security to maintain stability in the Indian Ocean Region. The two sides at the Summit held here also decided to widen counter-terror partnership. India also announced \$100 mn new Line of Credit to finance infrastructure projects in Maldives. The Government of Maldives had requested for this new LOC to fund the revised costs of existing projects being considered under existing GOL LOCs. It will also allow inclusion of additional projects. The Maldives signed a cyber security agreement with India as both sides affirmed their will to strengthen ties to take on “transnational crimes and terrorism” in the Indian Ocean region.

<https://economictimes.indiatimes.com/news/india/india-maldives-sign-six-pacts-widen-defence-partnership/articleshow/93305902.cms>

Services exports may beat recession woes, hit record \$300 billion: Merchandise sector expected to see a slowdown

India’s services exports will likely defy the impending recession in the largest markets – the US and the EU – and grow at an impressive pace in FY23, even as the merchandise sector is expected to see a slowdown in growth. Services exports are expected to jump 18% on year to a fresh peak of \$300 billion in the current fiscal, said Services Export Promotion Council (SEPC) chairman Sunil Talati. Already, services exports climbed 27% in the June quarter to \$71 billion, he said.

<https://www.financialexpress.com/economy/services-exports-may-beat-recession-woes-hit-record-300-billion-merchandise-sector-expected-to-see-a-slowdown/2615308/>

US hopes India to address small trade barriers in soyabean exports

The US is expecting India to address small trade barriers and facilitate the export of non-genetically modified (non-GMO) soyabean and speciality soyabean products, a senior US diplomat said on Tuesday. Presently, the US -- one of the world's major producers and exporters of soyabean -- is exporting annually about 15,000 tonne of soya isolate protein, a major ingredient used in value-added products in India. "We believe India has its own space in soyabean and we cannot upset the local production. However, we can demonstrate high-quality soyabean from the US that can be beneficial for Indian food processors," Mark Rosmann, US foreign agriculture service (FAS) in charge of India, Nepal and Sri Lanka, told PTI on the sidelines of an event.

<https://economictimes.indiatimes.com/news/economy/foreign-trade/us-hopes-india-to-address-small-trade-barriers-in-soyabean-exports/articleshow/93295045.cms>